



PSC NEWS

Missouri Public Service Commission

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 900

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PSC APPROVES SOUTHWESTERN BELL FILING REGARDING NEW LONG DISTANCE PLAN

Jefferson City (July 11, 2002)---The Missouri Public Service Commission has approved tariffs filed by Southwestern Bell Telephone Company which will implement new optional block-of-time long distance calling plans called "Toll Saver". These plans replace Southwestern Bell's Local Plus service and restructures Bell's Designated Number services (1+ Saver Direct).

The "Toll Saver" plan provides residential customers with up to 1,000 minutes of long distance calling within their Local Access Transport Area (LATA) each month for a rate of \$32.95 a month. Each minute after the 1,000 minutes used in a month is billed at 9 cents a minute. For business customers, the optional service would cost \$55.00 a month for 2,000 minutes used in a month and 8 cents a minute after that.

The second optional plan would allow residential customers at home to make up to 500 minutes of calls to a single (or designated) telephone number each month for \$16.95 a month. After 500 minutes used, the cost would be an additional 9 cents a minute. For business customers, the monthly rate would be \$15.00 a month for 300 minutes and 8 cents a minute after that.

These plans replace Southwestern Bell's Local Plus plan which offered residential customers a flat rate of \$34.99 a month, business customers a flat rate of \$68.00 a month for unlimited calling within the LATA and the 1+ Saver Direct plan which provided unlimited calling within the LATA to one number for \$17.22 a month for residential customers and \$15.00 a month for business customers.

In its filing with the Commission, Southwestern Bell stated that the Toll Saver plans would result in a rate decrease for most of its customers. Southwestern Bell stated, "Only those currently using Local Plus far in excess of original expectations will potentially experience an increase."

Southwestern Bell and the PSC Staff stated in filings with the Commission that the proposed Toll Saver plans are competitive services and are not subject to price-cap laws. The Commission agreed

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stating: “Having considered the proposed tariff sheets and the arguments of the parties, the Commission finds that the proposed new plans are competitive intraLATA services not subject to price-cap regulation.” The Commission further noted that it agreed with the PSC Staff that flexibility in the design and provision of expanded calling scope plans serve the public interest. In a January 6, 2002 decision, the Commission granted competitive status to Southwestern Bell’s intraLATA toll services.

IntraLATA long distance refers to a long distance call which originates and terminates within a LATA in Missouri. Missouri is divided into four LATAs (the 314, 636 and 573 area codes; the 816 and 660 area codes; the Jefferson City-Columbia market area; and the 417 area code). An example of an intraLATA long distance call would be a call which originates in St. Louis and terminates in Cape Girardeau.

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